The following is a Company Announcement issued by ST. ANTHONY CO. P.L.C., a company registered under the laws of Malta with company registration number C 95618 (hereinafter the "Company"), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Publication of Financial Analysis Summary

The Company hereby announces that the updated Financial Analysis Summary dated 26th June 2023 is available for viewing below as an attachment to this announcement and at the Company's registered office, and is also available for download from the following link on the Company's website: https://stanthonyplc.com.mt/company-notifications-and-publications/.

Unquote

By order of the Board

____

Dr Luca Vella
Company Secretary

26th June 2023

Company Announcement: STA14

St. Anthony Co. P.l.c.
Casa Antonia,
Pope Alexander VII Junction,
Balzan BZN 1530, Malta

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T: (+356) 21456440
Company Registration No.: C 95618

Calamatta Cuschieri

The Directors
St. Anthony Co. p.l.c.
Casa Antonia,
Pope Alexander VII Junction
Balzan BZN 1530
Malta

26 June 2023

Re: Financial Analysis Summary – 2023

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to St. Anthony Co. p.l.c. (the "**Issuer**") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2020, 2021 and 2022 has been extracted from the audited financial statements of Casa Antonia Limited for the year 2020 and St. Anthony Co. p.l.c. for the years 2021 and 2022.

(b) The forecast data for the financial years ending 2023 has been provided by management.

(c) Our commentary on the Issuer's results and financial position is based on the explanations set out by the Issuer in the Prospectus and on the MFSA Listing Policies.

(d) The ratios quoted have been computed by us applying the definitions set out in Part 4 of the Analysis.

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

Patrick Mangion
Head of Capital Markets

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Calamatta Cuschieri Investment Services Limited is a founding member of the Malta Stock Exchange and is licensed to conduct investment services by the Malta Financial Services Authority.

FINANCIAL ANALYSIS SUMMARY 2023

St. Anthony Co. p.l.c.

26 June 2023

Prepared by Calamatta Cuschieri Investment Services Limited

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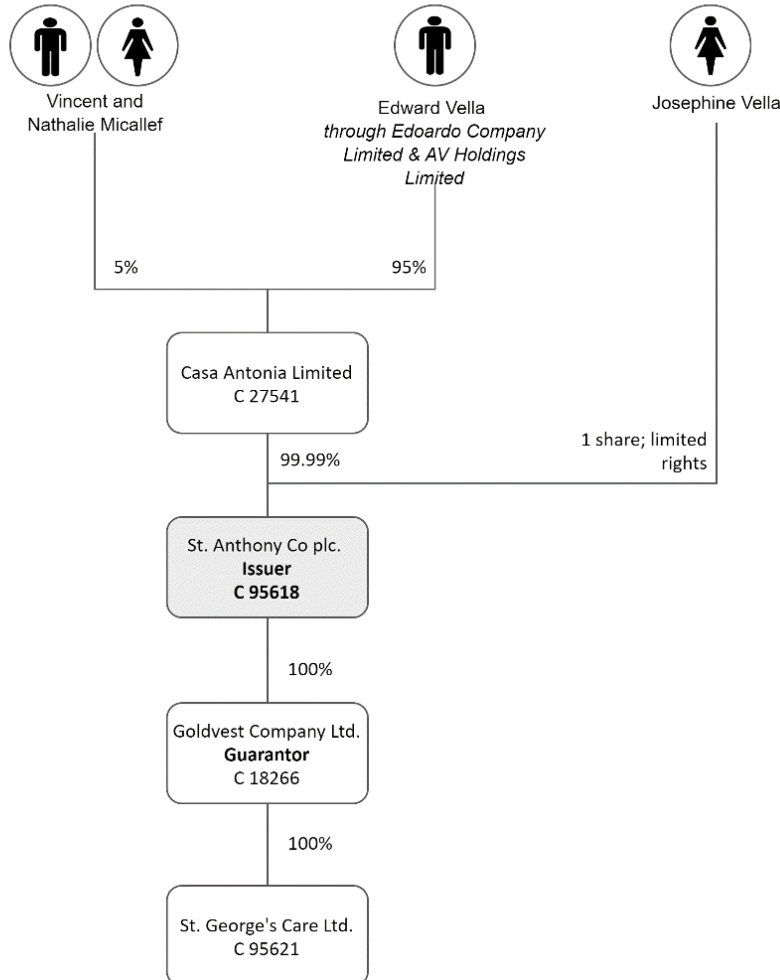
Part 1 - Information about the Group

1.1. Issuer's Key Activities and Structure

The Group structure is as follows:



The "**Group**" of companies or the "**Casa Antonia Group**", consists of St. Anthony Co. p.l.c. (the "**Issuer**" or "**SACL**") and its two subsidiary companies, Goldvest Company Limited, acting as the "**Guarantor**" of the Group, and St. George's Care Ltd. The principal business activity of the Group is the ownership, development, and operation of retirement homes.

Prior to a group restructuring exercise carried out in Q2 and Q3 of 2020, Casa Antonia Limited ("**CAL**"), the parent of the Issuer, directly owned and operated the Casa Antonia retirement home, and directly owned Goldvest Company Limited, which owns the new Imperial retirement home. Further detail may be found in section 1.4. of this Analysis.

The Issuer was incorporated on 18 May 2020 and registered under Maltese Law as a public liability company with registration number C 95618. The Issuer has an authorised share capital of €30,000,000 divided into 2,499,999 Ordinary A Shares, 1 Ordinary B Share, 20,000,000 Ordinary C Shares, and 7,500,000 Ordinary D Shares, all having a nominal value of €1 each. The issued share capital of the Issuer is €14,676,284 divided into 1,199 Ordinary A Shares, 1 Ordinary B Share, and 14,675,084 Ordinary C Shares of €1 each, all fully paid up.

The principal objective of the Issuer is that of a holding and finance company and to promote, through its subsidiaries, the ownership and operation of nursing and residential retirement homes, offering long term, short-stay, and respite care. As such, the Issuer is mainly dependent on the business prospects of the subsidiaries.

Goldvest Company Limited ("**Goldvest**"), company registration number C 18266, was set up on 12 April 1995 and currently acts as the Guarantor of the Issuer's debt

securities. It is a property holding company and is the legally registered owner of the Casa Antonia and Imperial properties.

The Guarantor has an authorised share capital of €46,625,895.75 divided into 8,586,002 Ordinary shares, 2,844,497 cumulative A preference shares, and 20,000,000 gross cumulative B redeemable preference shares. The ordinary and the cumulative A preference shares all have a nominal value of €2.329373 each while the gross cumulative B redeemable preference shares have a nominal value of €1 each. The issued share capital is €35,050,851.48 divided into 6,348,900 Ordinary shares, 2,194,537 cumulative A preference shares, and 15,150,000 gross cumulative B redeemable preference shares.

St. George's Care Limited ("**SGCL"**), company registration number C 95621, was incorporated on 18 May 2020. The principal activity of SGCL is to carry out the operations of both the Casa Antonia retirement home and the Imperial retirement home.

1.2. Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Dr Sarah Cassar	Managing Director
Mr Edward Vella	Chairman, Executive Director
Mr Joshua Vella	Executive Director
Ms Lora Cascun	Independent Non-Executive Director
Mr Stephen Paris	Independent Non-Executive Director
Mr Joseph M. Zrinzo	Independent Non-Executive Director

The business address of all the directors is the registered office of the Issuer.

Dr Luca Vella is the company secretary of the Issuer.

The board of the Issuer is composed of six directors who are entrusted with its overall direction and management. The executive directors are entrusted with the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

Board of Directors - Guarantor

As of the date of this Analysis, the board of directors of the Guarantor is constituted by the following persons:

Name	Office Designation
Dr Malcolm Cassar	Executive Director
Dr Sarah Cassar	Executive Director
Ms Josephine Vella	Executive Director
Mr Edward Vella	Executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Malcolm Cassar is the company secretary of the Guarantor.

The board of the Guarantor is composed of four directors who are entrusted with its overall direction and management of the day-to-day management. As of 20 March 2023, Mr Carmel Pullicino has resigned from his post as director of Goldvest and Ms Josephine Vella has been appointed in his stead.

1.3. Major Assets owned by the Group

Casa Antonia

Casa Antonia is a nursing and residential home, offering long-term care, short-stay convalescent, and respite care. The home started operating in 2003 and is located in Balzan, overlooking the Presidential Palace and the San Anton Gardens.

The home has 80 rooms, with a capacity of 168 beds. Facilities within Casa Antonia include an outdoor swimming pool equipped with rails; a chapel; and a library. In its current state, this property is currently valued at €20.2 million.

Imperial

The Imperial site is located in central Sliema. The retirement home is positioned at the higher end of the market by offering an upmarket location and wide-ranging amenities. The project incorporates extensive features such as a cinema, gym, meeting rooms, foyers, billiard room, a state-of-the-art spa and indoor pool. Certain amenities are also open for use by non-residents in order to generate additional income for the Group.

The development comprises of 278 beds across a number of single, double rooms, and shared rooms. Per company management, this number is subject to change according to the demands, as single rooms might be converted into shared rooms and *vice versa*. Imperial also incorporates a high dependency unit that caters for 27 residents.

Management indicated that the total development costs of the project amounted to €23.2m, excluding the land acquisition costs The Imperial received its first guests on 3 May 2021. This property is currently valued at €42.6m including land, buildings and furniture and fittings.

1.4. Operational Developments

As provided for in section 1.1 above, the principal activity of the Issuer is the ownership, development, and operation of retirement homes.

Prior to the group restructuring exercise carried out in 2020, CAL owned and operated the Casa Antonia retirement home, and directly owned the Guarantor, which owns the new Imperial.

Following the restructuring, Casa Antonia Limited became the parent company of the Group however did not in itself own the Group's assets or manages its operations. CAL now owns 100% of St. Anthony Co. p.l.c., that is the Issuer of the bond. St. Anthony Co. p.l.c. in turn owns 100% of Goldvest that owns Casa Antonia and the Imperial properties and is also the Guarantor of the bond. Goldvest owns 100% of St. George's Care Ltd that manages the Group's day-to-day operations.

In December 2022 St George's Care Ltd entered into its first agreement with Active Ageing and Community Care for the provision of long-term care beds at the Imperial nursing and residential retirement home.

For clarity, Active Ageing and Community Care (AACC) is a concept and program in Malta that focuses on promoting and supporting the well-being, independence, and active participation of older adults in society. It is a comprehensive approach to aging that emphasizes the importance of maintaining physical, mental, and social well-being as individuals age.

Part 2 - Historical Performance and Forecasts

In view of the Group restructuring exercise explained above, the financial statements relating to FY20, from sections 2.1 to 2.3 include the consolidated historical financial statements of CAL, due to the fact that prior to the Group restructuring, CAL was the owner and the operator of Casa Antonia retirement home. Following the restructuring, the ownership of the Casa Antonia retirement home was moved to the Guarantor while the day-to-day operations were moved to SGCL. Consequently, in order to present a fair and complete picture of the Group's operations, the financial statements of FY21, FY22 as well as the FY23 projections are related St. Anthony Co. p.l.c.

2.1 Group's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	2020A	2021A	2022A	2023F
	€000s	€000s	€000s	€000s
Revenue	4,226	4,781	7,076	10,523
Cost of sales	(2,445)	(3,855)	(5,411)	(7,213)
Gross profit	**1,781**	**926**	**1,665**	**3,310**
Administrative expenses	(1,328)	(1,113)	(1,146)	(1,279)
EBITDA	**453**	**(187)**	**519**	**2,031**
Depreciation	(63)	(412)	(954)	(1,140)
Operating profit / (loss)	**390**	**(599)**	**(435)**	**891**
Other income	15	-	-	-
Net finance costs	(300)	(608)	(1,335)	(1,710)
Profit / (loss) before tax	**105**	**(1,207)**	**(1,770)**	**(819)**
Income tax	(47)	(193)	411	286
Profit / (loss) for the year	**58**	**(1,400)**	**(1,359)**	**(533)**
Revaluation	1,757	10,421	46	46
Total comprehensive income / (loss)	**1,815**	**9,021**	**(1,313)**	**(487)**

Ratio Analysis	2020A	2021A	2022A	2023F
Profitability				
Growth in Revenue (YoY Revenue Growth)	-0.8%	13.1%	48.0%	48.7%
Gross Profit Margin (Gross Profit / Revenue)	42.1%	19.4%	23.5%	31.5%
EBITDA Margin (EBITDA / Revenue)	10.7%	-3.9%	7.3%	19.3%
Operating (EBIT) Margin (EBIT / Revenue)	9.2%	-12.5%	-6.1%	8.5%
Net Margin (Profit for the year / Revenue)	1.4%	-29.3%	-19.2%	-5.1%
Return on Common Equity (Net Income / Average of Total Equity)	0.5%	-7.9%	-6.3%	-2.6%
Return on Assets (Net Income / Average of Total Assets)	0.1%	-2.5%	-2.1%	-0.8%

The main source of revenue for the Group can be broken down into three parts: room revenue, care revenue, and other revenue. Room revenue relates to income from the provision of accommodation to the elderly. Care revenue includes income from the provision of general care and health care services provided by caring staff to residents of the home. Room rates are charged on a per bed or per room basis, whilst care revenue is charged on a needs basis. Other revenue includes the provision of one to one care services and in out of pocket costs, which are then recharged back to clients.

The Group achieved €7.1m in FY22 (FY21: €4.8m), of which €5.5m, or 78%, comes from accommodation i.e. room revenue, while the remainder is income from services i.e. care revenue. This constitutes a 48% in revenue growth year-over-year. The share of room revenue in total revenue remained stable from FY21 to FY22.

For FY23, the Group is projecting a similar 49% increase in revenue, as it is anticipated to reach €10.5m for the year. This strong growth is based on the expectation of the successful establishment of The Imperial on the market. The

Group has effectively positioned itself and gained a reputation in the elderly care industry, which has led to increased brand awareness and customer trust. As a result, the Group expects to capitalise on its established presence and leverage it to drive further revenue growth in the upcoming year.

Cost of sales for St. Anthony are mostly direct costs of the services provided in the care facilities, salaries and utilities. In FY22 it amounted to €5.4m (FY21: €3.9m). 63% of all cost of sales could be attributed to salaries and there was a €0.8m increase on this cost line. According to company management, higher than expected labour costs due to the current inflationary environment contributed to this substantial increase.

In FY23, in line with a higher projected revenue, cost of sales is anticipated to be €7.2m. Several factors contribute to this increase. Firstly, there is a steep increase in the cost of living allowance (COLA) as of 2023. This rise in living expenses affects the overall cost of sales, as it impacts the prices of food, direct labour, and other production-related expenses.

Secondly, there is a projected increase in rostered staff in order to meet the needs of the anticipated admissions. As the Group expects higher demand and an increase in the number of residents, additional staff members are required to ensure quality care and service delivery.

Furthermore, the increase in food costs is also attributed to inflation and the rise in the number of residents. Inflation affects the prices of food supplies, while the larger resident population necessitates higher quantities of food, leading to increased costs. Additionally, the cost of utilities has increased in proportion to the number of residents in the home. As the number of residents grows, the consumption of utilities such as water, electricity, and gas also increase, thus resulting in higher utility expenses for the Group.

Consequently, gross profit amounted to €1.7m in FY22 (FY21: €0.9m). The Gross Profit Margin of 23.5% in FY22 shows an increase of four percentage points when compared to FY21. For FY23 the Gross Profit Margin is projected to increase to 31.5% due to the expected increase in occupancy.

Administrative expenses include directors' remuneration, costs related to the Group's finance function, legal, audit, other professional fees, as well as rent and lease of equipment. The Group's administrative expenses for FY22 remained stable from the previous year as there were no major YoY fluctuations in the individual cost lines. In FY23 the administrative expenses are projected to increase to €1.3m due to inflation and higher intra-group rental charges.

The Group's EBITDA turned positive in FY22, reporting a €0.5m gain versus a €0.2m loss a year before. Consequently, the EBITDA margin was also positive 7.3% vs. -3.9% in FY21. In FY23, the projected EBITDA is €2.0m and the EBITDA margin is anticipated at 19.3%.

Depreciation increased substantially YoY, from €0.4m to *circa* €1m in FY22, and it is projected to increase to €1.1m in FY23. This increase can be attributed to the opening of more floors by The Imperial and the consequent utilisation of plant and fixed assets.

Finance costs are projected to amount to €1.7m in FY23. The projected interest costs for 2023 are expected to be higher due to the ongoing trend of increasing Euribor (Euro Interbank Offered Rate) rates since early 2022, which will have a full year's effect in 2023. Additionally, the Group has two MDB COVID-19 Assist Loans totalling €6m, which feature a state aid support on interest rates for the first two years of loan take up (now elapsed). The noted increase will be partially offset by the new banking restructuring, which is anticipated to be implemented in July 2023.

The Issuer's loss before tax year amounted to €1.8m in FY22 (FY21: €1.2m). Consequently, there was no taxable income to pay income tax on in FY22. The €0.4m tax credit mostly arises from a €0.6m temporary differences on tax losses and unabsorbed capital allowances were partially offset by €0.2m of temporary differences arising on items of property, plant and equipment This tax credit of €0.4m is reflected in an increase in the deferred tax asset in the Issuer's statement of financial position. Considering the tax credit and the impact of these temporary differences, the Issuer reported a loss of €1.4 m for FY22. A similar tax credit of €0.3m is projected for FY23. Consequently, the amount of deferred tax assets is also expected to increase to €1.1m in FY23.

In FY23 the loss before tax is projected to be €0.8m. After the expected tax credit of €0.3m the anticipated loss after tax is €0.5m.

2.1.1. Variance Analysis

Statement of Comprehensive Income for the year ended 31 December	2022F	2022A	Variance
	€000s	€000s	€000s
Revenue	7,840	7,076	(764)
Cost of sales	(4,738)	(5,411)	(673)
Gross profit	**3,102**	**1,665**	**(1,437)**
Administrative expenses	(1,098)	(1,146)	(48)
EBITDA	**2,004**	**519**	**(1,485)**
Depreciation and amortisation	(681)	(954)	(273)
EBIT	**1,323**	**(435)**	**(1758)**
Other income	65	-	(65)
Finance costs	(1,248)	(1,335)	(87)
Profit / (loss) before tax	**140**	**(1,770)**	**(1,910)**
Income tax	253	411	158
Profit / (loss) after tax	**393**	**(1,359)**	**(1,752)**

The Issuer reported revenue of €7.1m in FY22, which resulted in a negative variance of €0.8m when compared to previous forecasts.

Management explained that the majority of this variance can be attributed to the shortfall in room and care revenues at the Imperial. Specifically, there was a €0.6m decrease in room revenue and a €0.2m decrease in care revenue compared to the forecasted amounts.

In terms of room revenue, the actual occupancy has exceeded the forecasted occupancy. The discrepancy between expected and actual revenue can be attributed to the failure to achieve the projected room rates at the Imperial.

According to management, the implementation of various introductory offers was crucial to establishing The Imperial brand in the market. This strategy has been successful, leading to a significant increase in the number of long stays resulting from the attractive short-stay promotions. However, it is important to note that this approach had a short-term adverse impact on the Group's profitability. Gradually room rates are being increased in response to the increasing occupancy level.

With regards to the discrepancy in care revenue in the Imperial, the forecasted level of care mix was originally based on the composition observed at Casa Antonia during that time. However, at The Imperial, residents require care which falls on the lower end of the required care spectrum. Despite achieving the projected rates, the actual level of care needed is lower than anticipated. As the length of stays increases, it is expected that the required level of care will naturally escalate. Consequently, this change in care mix led to a decrease in forecasted care income by €318k. On the other hand, The Imperial experienced a higher-than-expected demand for one-to-one care services.

Cost of sales during FY22 totalled €5.4m, exceeding the projected amount of €4.7m by €0.7m. This variance can be attributed to several offsetting factors:

The movement in the caring salaries are attributable to two opposing factors. The lower levels of care required by the current residents resulted in reduced demand of caring hours. However, this reduction was offset to some extent by a significant increase in hourly pay rates due to Cost of Living Adjustments (COLA) and market pressures.

Additionally, the expected economies of scale were not achieved as early as predicted.

The Group experienced discrepancies in maintenance salaries, domestic salaries and higher catering salaries, all attributed to the diseconomies of scale. Also, initial forecasts were based on costs incurred at Casa Antonia. The implications of The Imperial building's magnitude as compared to Casa Antonia and consequently the requirement of different methods of operations were not fully factored in the initial forecasts.

A discrepancy between the budgeted and actual daily food cost per resident was reported due to two factors: 1) The mix

of residents at The Imperial opting for the full extensive menu is higher, and 2) increases in food costs driven by inflation.

Additionally, utilities, cleaning expenses, and repairs & maintenance were €240k higher than projected. The forecasts were based on costs incurred at Casa Antonia. However, it has been observed that despite having energy-saving plants and machinery, the larger area of The Imperial, additional amenities, and unutilized economies of scale have resulted in a significant variance from the budgeted amounts. Also, security expenses were not included in the initial forecasts.

Administrative expenses for FY22 totalled €1.1m, which were largely in line with the forecasts. However, there was a variance of €37k in the forecasted professional fees. Additionally, the variance in professional fees is also attributed to consultancies related to the group restructuring.

The depreciation and amortisation expenses for the audited financials exceeded the projections. The projections had estimated these expenses to be €0.7m, while the audited financials reported a higher amount of €1.1m. The reason for this variance is that the depreciation rates were reviewed and updated, leading to a change in the calculation and allocation of depreciation expenses, resulting in a higher figure in the audited statements.

The finance costs for the period were close to the previous forecasts, totalling €1.3m compared to the projected amount of €1.2m. The variance between the projections and actuals was €86k. This increase in finance costs can be attributed to the rise in bank interest rates, which were linked with the Euribor, resulting in higher interest expenses than originally anticipated.

Based on the considerations discussed above, the Issuer reported a loss after tax of €1.4m, which negatively deviated by €1.8m from the forecast.

2.2. Group's Statement of Financial position

Statement of Financial Position as at 31 December	2020A	2021A	2022A	2023F
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Property, plant and equipment	44,171	62,920	62,127	61,605
Deferred tax assets	189	438	848	1,135
Total non-current assets	**44,360**	**63,358**	**62,975**	**62,740**
Current assets				
Inventories	52	88	113	148
Trade and other receivables	1,747	1,102	889	871
Cash and cash equivalents	2,442	519	2,231	1,944
Total current assets	**4,241**	**1,709**	**3,233**	**2,963**
Total assets	**48,601**	**65,067**	**66,208**	**65,703**
Equity				
Share capital	2,394	14,676	14,676	14,676
Revaluation reserve	11,199	10,421	10,468	10,514
Reorganisation reserve	-	(1,241)	(1,241)	(1,241)
Retained earnings	(703)	(1,466)	(2,825)	(3,358)
Equity attributable to owners of the Group	**12,890**	**22,390**	**21,078**	**20,591**
Non-controlling interest	1	-	-	-
Total equity	**12,891**	**22,390**	**21,078**	**20,591**
Liabilities				
Non-current liabilities				
Trade and other payables	-	422	283	96
Borrowings	29,762	30,770	37,068	37,849
Deferred tax liabilities	1,749	3,400	3,400	3,400
Total non-current liabilities	**31,511**	**34,592**	**40,751**	**41,345**
Current liabilities				
Borrowings	1,807	4,034	189	684
Trade and other payables	1,749	4,051	4,188	3,083
Current tax liabilities	643	-	2	-
Total current liabilities	**4,199**	**8,085**	**4,379**	**3,767**
Total liabilities	**35,710**	**42,677**	**45,130**	**45,112**
Total equity and liabilities	**48,601**	**65,067**	**66,208**	**65,703**

Ratio Analysis	2020A	2021A	2022A	2023F
Profitability				
Gearing 1 (Net Debt / Net Debt and Total Equity)	69.3%	60.5%	62.4%	64%
Gearing 2 (Total Liabilities / Total Assets)	73.5%	65.6%	68.2%	68.7%
Gearing 3 (Net Debt / Total Equity)	225.9%	153.1%	166.2%	177.7%
Net Debt / EBITDA	64.3x	(183.3)x	67.5x	18.0x
Current Ratio (Current Assets / Current Liabilities)	1.01x	0.21x	0.74x	0.79x
Interest Coverage level 1 (EBITDA / Cash interest paid)	1.6x	N/A	1.6x	2.2x
Interest Coverage level 2 (EBITDA / Finance costs)	1.5x	(0.3)x	0.4x	1.2x

In FY22, the Issuer's total assets amounted to €66.2m (FY21: €65.1m). These mainly comprised property, plant and equipment, representing 93.8% of the total assets (FY21: 96.7%). Within the category of property, plant, and equipment, the Issuer held €50.6m in freehold land and buildings. Additionally, there were €9.8m worth of plant, machinery, and equipment. Comparatively, the amount allocated to furniture was €1.7m. Therefore, property, particularly freehold land and buildings, represented the most significant portion of the Issuer's total assets, while plant, machinery, and equipment also held a notable share.

Deferred tax assets increased by €0.4m. This corresponds to the other side of the accounting entries related to the tax credit of €0.4m that was reported in the income statement.

Inventories increased somewhat albeit in an immaterial manner. A similar increase is anticipated in FY23.

Trade and other receivables decreased slightly in FY22, from €1.1m to €0.9m.

Cash and cash equivalents have experienced a significant increase from €0.5m in FY21 to €2.2m in FY22. This substantial growth can be attributed to the bond proceeds received during the year, which were partially retained for corporate funding purposes.

In FY23 total assets are projected to remain fairly stable at €65.7m. No material increase is projected in any of the asset items for this year. There is a €0.3m projected increase in deferred tax assets, that corresponds to the expected €0.3m tax credit anticipated as part of income statement projections.

Total equity moved from €22.4m in FY21 to €21.1m FY22. The difference can be attributed to the loss reported in the previous year, captured in the increase in retained earnings. Similar effects are projected in FY23 where the only material movement is anticipated in retained earnings from a retained loss of €2.8m in FY22 to a retained loss of €3.3m forecast in FY23 in line with the forecast loss after taxes of €0.5m during this year.

Borrowings under non-current liabilities have increased from €30.8m to €37.1m as at end of FY22 as the result of the receipt of the €15.1m bond proceeds and a €1.1m increase of loans due to CAL. These were offset by a €9.9m reduction in bank loans. Looking forward, no material movement is expected in non-current liabilities in FY23.

Current liabilities have decreased from €8.1m to €4.4m due to a revision of repayment schedules of intra-group unsecured loan due to CAL.

Trade and other payables have increased slightly, from €4m in FY21 to €4.2m in FY22. There were offsetting moves, more specifically, trade payables increased by €0.2m, other payables increased by €0.8m, and these were offset by a €0.9m decrease in accruals.

In FY23, trade and other payables are expected to decrease to €3.1m, as all capital creditors amounting to €0.8m are projected to be paid in full.

Short-term borrowings are projected to increase to €0.7m. The expected increase can partially be attributed to intercompany loan instalments falling due. At FY22 end, the intercompany loans had a moratorium in place, where only the interest portion was being forwarded to the parent company, Casa Antonia Limited. However, with the implementation of the new bank restructuring, the moratorium is expected to be relinquished, resulting in projected short-term principal payments of €210k. Additionally, €0.2m represents the projected principal to be paid on the restructured bank finance, while €0.1m corresponds to the principal repayment on the existing Goldvest BOV Loan of €7.8m.

2.3. Group's Statement of Cash Flows

Cash Flows Statement for the year ended 31 December	2020A	2021A	2022A	2023F
	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities				
Profit before tax	**105**	**(1,207)**	**(1,770)**	**(819)**
Adjustments for:				
Depreciation	63	412	954	1,140
Expected credit losses	-	8	12	-
Interest expense	286	565	1,264	1,622
Other interest	-	-	33	44
Operating profit/(loss) before working capital changes	**454**	**(222)**	**493**	**1,987**
Movement in trade and other receivables	(511)	276	(222)	18
Movement in inventories	(26)	(36)	(25)	(35)
Movement in trade and other payables	(713)	2,790	(670)	(1,257)
Cash generated from / (used in) operations	**(796)**	**2,808**	**(424)**	**713**
Interest paid	(286)	-	(326)	(919)
Tax paid	(72)	-	-	-
Net cash generated from / (used in) operating activities	**(1,154)**	**2,808**	**(750)**	**(206)**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(7,935)	(7,586)	(114)	(572)
Net cash generated from / (used in) investing activities	**(7,935)**	**(7,586)**	**(114)**	**(572)**
Cash flows from financing activities				
Proceeds from bank loan	11,845	2,033	(9,862)	(102)
Advances of bank loans	-	-	15,500	-
Movement in related party balances	(143)	3,216	(3,037)	599
Net cash generated from / (used in) financing activities	**11,702**	**5,249**	**2,601**	**497**
Net movement in cash and cash equivalents	**2,613**	**471**	**1,737**	**(281)**
Cash and cash equivalents at beginning of year	(171)	29	497	2,225
Expected credit losses on bank balances	-	(3)	(9)	-
Cash and cash equivalents at end of year	**2,442**	**497**	**2,225**	**1,944**

Ratio Analysis	2020A	2021A	2022A	2023F
Cash Flow	€'000s	€'000s	€'000s	€'000s
Free Cash Flow (Net cash from operations + Interest - Capex)	(8,804)	(4,778)	(538)	141

In FY22, the Issuer generated €0.5m cash from operating activities before working capital changes (FY21: €0.2m cash outflow).

Cash flow from investing activities was slightly negative at €0.1m (FY21: €7.5m cash outflow). The previous year's figure was related to property, plant and equipment additions as part of the construction of the Imperial. Some of the construction work was still ongoing in 2022, this is being represented in the FY22 figure.

In FY23, a €0.6m cash outflow from investing activities is expected that relates to ongoing capital projects in both homes.

The Group experienced a positive cash flow from financing activities in FY22 of €2.6m (FY21: €5.2m). The inflow was achieved through the €15.5m from the proceeds received from the bond issue, partially offset by cash outflows due to a major bank loan repayment of €9.9m and a repayment of €3m to Group companies. The aforementioned repayments represented cash outflows as the Group returned funds borrowed from the bank and repaid amounts owed to other entities within the Group.

All in all, the net movement in cash was an inflow of €1.7m in FY22 and the cash balances at the end of the year amounted to €2.2m

In FY23 the Group expects a positive cash flow from financing activities of €0.5m due to projected movement in related party balances. CAL is to grant a €1.4m interest-free loan to the Guarantor. Such loan will facilitate the transfer of excess cash from CAL to the Group. It should be noted that this positive cash flow is partially offset by €0.7m in interest payments on intra-group loans during FY23.

Altogether, €0.3m cash outflow is projected for FY23 and the cash balances are anticipated around €1.9m by the end of the current financial year.

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2023. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April, annual growth in business activity increased, rising further above its long-term average, estimated since January 2000. The European Commission confidence surveys show that sentiment in Malta increased compared to March, and stood above its long-term average, estimated since November 2002. In month-on-month terms, sentiment increased across all sectors, bar the services sector, with the strongest increase recorded in the construction sector.

Additional survey information shows that price expectations stood firmly above their year-ago level in the construction sector, and to a lesser extent, among services firms. By contrast, price expectations in industry, the retail sector and among consumers, stood considerably lower. The European Commission's Economic Uncertainty Indicator (EUI) for Malta increased when compared with March, though it was still lower than last year's April level. Uncertainty increased mostly in industry. In March, industrial production and retail trade grew at a slower rate compared to February. The unemployment rate stood at 2.9% in March, marginally lower than the rate of 3.0% registered in the previous month, and that registered in March 2022.

Commercial building and residential permits decreased in March relative to their year-ago level. In month-on-month terms, commercial permits increased while residential permits declined. In April, the number of promise-of-sale agreements rose on a year-on-year basis, while the number of final deeds of sales fell. Meanwhile, both the number of promise-of-sale agreements and the number of final deeds of sale fell on a month-on-month terms.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 6.4% in April, down from 7.1% in the previous month. Inflation based on the Retail Price Index (RPI) decreased to 5.8% from 7.0% in March. Maltese residents' deposits expanded at an annual rate of 1.6% in March, following an increase of 3.6% in the previous month, while annual growth in credit to Maltese residents moderated to 5.4%, from 6.4% a month earlier. In March, the Consolidated Fund recorded a lower deficit compared to a year earlier, as higher government revenue outweighed a smaller rise in government expenditure.

Economic Outlook[2]

According to the Central Bank of Malta's latest forecasts, Malta's gross domestic product (GDP) growth is projected to slow down from around 7.0% in 2022, to 4.0% in 2023, and to ease slightly further to 3.8%, and 3.7%, in 2024 and 2025, respectively. When compared to the previous projections, the Bank's latest forecast for headline GDP is revised upwards throughout the projection horizon. Indeed, GDP growth was revised up by 0.3 percentage points in 2023, and by 0.2 percentage points in 2024 and 2025.

In 2023, net exports are expected to be the main contributor to GDP growth. This reflects the expected sharp slowdown in imports (goods imports specifically are set to contract after being boosted by strong investment in the aviation sector in 2022), as well as robust growth in exports. Meanwhile, domestic demand is expected to lower growth, as the base effect from the extraordinary investment in 2022 should offset positive contributions from government and private consumption. From 2024, domestic demand is expected to be the main driver of growth, as private consumption growth is expected to remain relatively robust despite relatively high inflation. Net exports are also projected to contribute positively in 2024 and 2025, due to robust services exports.

Employment growth is set to moderate to 3.6% in 2023 from 6.0% in 2022, which partly reflects the envisaged normalisation in economic activity towards potential

[1] Central Bank of Malta – Quarterly Review 5/2023
[2] Central Bank of Malta – Central Bank's Forecast – 2023-2025

growth. In the following two years, employment is set to expand by 2.7% and 2.4%, respectively.

In view of relatively high inflation, as well as tight labour market conditions, nominal wage growth is projected to be relatively strong from a historical perspective. Compensation per employee is thus set to grow by 5.5% in 2023, 4.9% in 2024 and 3.9% in 2025, outpacing consumer price inflation during the later period of the projection horizon.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate to 5.3% in 2023, as international supply bottlenecks are expected to ease further. However, lingering indirect effects from recent increases in input costs are set to keep inflation high from a historical perspective. The fall in inflation in 2023 reflects a broad-based decrease across all sub-components of HICP, except for energy inflation, as energy prices are expected to remain unchanged in view of government support measures. Services is envisaged to be the main contributor to HICP inflation, but food and non-energy industrial goods (NEIG) are also projected to contribute to annual HICP inflation in 2023.

The general government deficit is set to decline to 4.9% of GDP in 2023, from 5.8% in 2022. It is then set to continue declining over the rest of the forecast horizon, reaching 3.4% of GDP by 2025. This improvement is driven by a declining share of expenditure in GDP, mainly due to the profile of inflation-mitigation measures. The general government debt ratio is set to increase throughout the forecast horizon, and to reach 55.3% by 2025. This is driven by the expected level of primary deficits, which partly offset the debt-decreasing impact of the interest-growth differential.

On balance, risks to economic activity are tilted to the downside for 2023 and 2024 and are more balanced thereafter. The main downside risks relate to the possibility of stronger than envisaged weakness in the international economic environment, which could lead to lower exports. Foreign demand may also be weaker than expected if monetary policy in advanced economies tightens more forcibly than assumed in this projection round. GDP data for the first quarter of the year also implies some downside risks to domestic demand. On the other hand, private consumption could surprise on the upside if wage growth is higher than expected, particularly in the outer years of the projection horizon.

Risks to inflation are to the upside for the entire projection horizon. Indeed, inflation could be more persistent than assumed in the baseline projections and could continue to be affected by indirect effects from past increases in commodity prices. Moreover, second round effects from higher wages and profit margins could also prolong high inflation. Conversely, further monetary tightening and lower foreign demand could ease inflationary pressures in the medium-term.

On the fiscal side, risks are on the downside (deficit-increasing) particularly in 2023. These mainly reflect the likelihood of additional support measures towards Air Malta. Deficit-decreasing risks in the outer years of the forecast horizon mainly relate to fiscal consolidation pressures as the general escape clause in the Stability and Growth Pact is deactivated at the end of 2023.

Care home industry[3]

In recent years, the population in Malta grew significantly, mainly due to both immigration and an increase in life expectancy for both genders. As per the latest Census done by the National Statistics Office, the estimated population of Malta and Gozo at the end of 2020 stood at 519,562, up by only 0.7% when compared to 2020. Even though the growth of the population has slowed down recently mainly due to COVID-related restrictions and their repercussions on the movement of people. However, if we look at a broader picture, Malta's population grew by 17.4% in the six years from 2014 to 2020, a very significant growth, even when compared to the previous 6-year period between 2008 and 2014 when the population only increased by 7%.

Life expectancy has also increased throughout the years, with the average life expectancy for those born in 2020 standing at 83 years, an increase of 2.6 years when compared to 10 years ago.

Demographic statistics show that the population in Malta is aging considerably. As of 31 December 2020, the population aged 65 years and above comprised 18.9% (97,418) of the total population of 516,100, an increase of 3.2 percentage points from the 15.7% recorded in 2010.

Similarly, according to the '2021 Ageing Report' prepared by the European Commission and the Economic Policy Committee, the EU-27's median age is projected to increase

[3] Figures are from the National Statistics Office database

by 5 years to reach 47.3 years for men and 50.3 years for women by 2070. This phenomenon is projected to be universal across all EU Member States, including Malta.

Elderly care in Malta

Informal care plays an important role in Maltese society, due to the strong traditional role of the family. Caring for the dependent relatives is traditionally an important societal aspect. Living at home in the community domestically seems to be the preferred option amongst elderly people.

However, the demand for long-term care services has been growing due to the aging of the population and the intensification of labour-market participation of women. Since the mid-1980s, issues related to long-term care have been given more attention. Long-term care capacities have already been expanded in recent years. However, although the public capacity for institutional care (i.e. residential homes) is around the EU average, and provided by the government at both central and local levels, it remains insufficient to meet the growing demand. The private sector has been developing a complementary offer of long-term care services. Home-based services have also expanded in recent years.[4]

[4] https://eurocarers.org/country-profiles/malta/

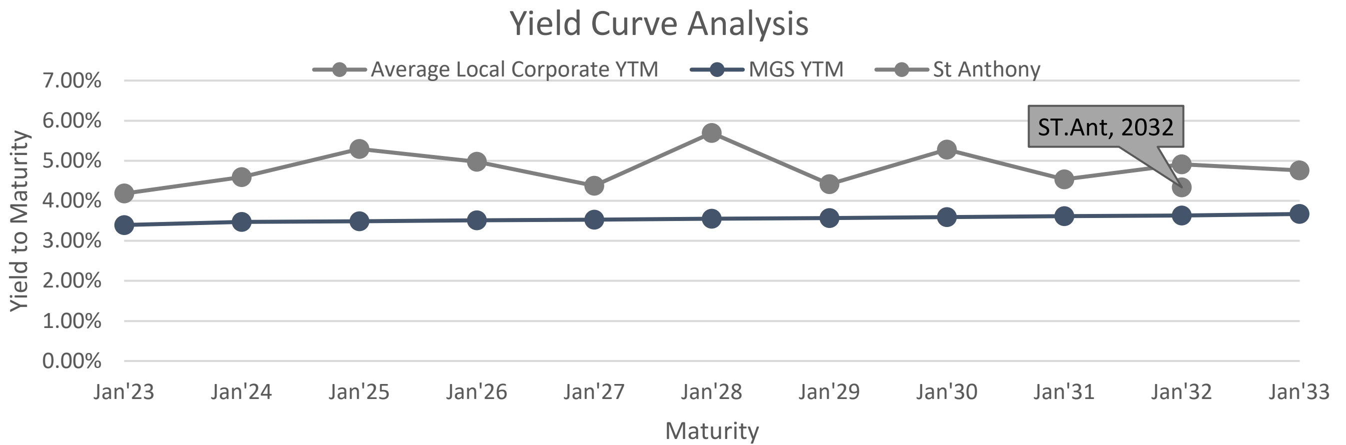
3.2. Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with different maturities. More importantly, we have included different issuers with a similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the business and that of other issuers are therefore different.

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.57%	2.6x	179.4	37.2	79.3%	37.5%	3.5x	3.0x	24.1%	22.9%	666.2%
3.9% Browns Pharma Holdings plc Unsec Call € 2027-2031	13,000	4.50%	5.2x	73.0	26.9	62.0%	43.0%	3.6x	1.1x	109.3%	6.4%	126.7%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.61%	3.6x	288.7	90.2	68.8%	54.3%	8.6x	0.8x	5.8%	4.4%	0.0%
3.65% IHI plc Unsecured € 2031	80,000	4.54%	0.7x	1,662.0	817.9	50.8%	36.2%	10.7x	0.8x	-0.3%	-1.0%	84.3%
3.5% AX Real Estate plc Unsecured € 2032	40,000	4.22%	2.6x	422.8	248.2	41.3%	30.0%	12.0x	1.1x	-0.1%	-0.7%	8.1%
4.55% St. Anthony Co. p.l.c. Secured € 2032	15,500	4.33%	0.4x	66.2	21.1	68.2%	62.4%	67.5x	0.7x	-6.3%	-19.2%	48%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	5.27%	1.7x	57.5	16.8	70.8%	57.5%	18.5x	1.7x	1.3%	1.8%	N/A
5% Mariner Finance plc Unsecured € 2032	36,930	4.73%	4.8x	128.3	62.3	51.4%	49.9%	5.9x	2.6x	9.9%	29.3%	32.3%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.27%	0.6x	142.0	41.1	71.1%	65.4%	38.4x	2.1x	-2.7%	-7.2%	32.3%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.52%	1.3x	58.2	23.8	59.1%	55.3%	18.6x	0.7x	0.8%	10.0%	19.9%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.62%	(2.0)x	16.5	3.4	79.3%	68.6%	(8.1)x	0.9x	-34.4%	-21.8%	N/A
	*Average	4.69%										

Source: Latest available audited financial statements

Last closing price as at 10/06/2023
*Average figures do not capture the financial analysis of the Issuer



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of the 4.55% St. Anthony Co. p.l.c. bond.

As at 19 June 2023, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 8-10 years was 105 basis points. The 4.55% St. Anthony Co. p.l.c. 2032 bond is trading at a YTM of 4.33%, meaning a spread of 70 basis points over the equivalent MGS, and therefore at a discount to the average on the market of 35 basis points.

It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer's industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current Ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group’s/Company’s ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders’ equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

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